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# Secord says North told Reagan about diversion

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Retired Air Force Major Gen. Richard V. Secord yesterday said former National Security Council aide Lt. Col. Oliver North told him he mentioned the Iran-Contra connection in conversations with President Reagan before its public disclosure.

Gen. Secord, who acted as the private broker in U.S. arms shipments to Iran, recalled that Col. North said he had made the references several times prior to last Nov. 25, when the diversion of proceeds to the Nicaraguan resistance was announced.

"On a few occasions I heard Oliver North in an off-hand, humorous vein remark that in some conversations with the president he had mentioned that it was very ironic that some of the ayatollah's [Iranian leader Ayatollah Ruhollah Khomeini's] money was being used to support the Contras," Gen. Secord said.

"Whether he actually said this to the president, or he was joking, I'm not sure. I did not take it as a joke."

Mr. Reagan has repeatedly denied knowing about the fund diversion before Attorney General Edwin Meese III told him of it Nov. 24.

White House spokesman Marlin Fitzwater yesterday gave this response to Gen. Secord's testimony: "I refer you back to our original statement that the president was not aware of the diversion. There is no record that he did, and it is hearsay as to Secord's testimony."

In his second day before the Iran-Contra investigative committee, Gen. Secord described how he launched a

frantic, 11th-hour effort to stop the White House from announcing the fund diversion.

He tried in vain to speak directly to Mr. Reagan to prevent then-National Security Adviser John Poindexter's ouster from the White House.

"He [Adm. Poindexter] said it was too late," Gen. Secord said, recalling a phone conversation he had had with the admiral. "They'd already built a wall around the president."

That same morning, the general said, Mr. Meese "betrayed all of us" by disclosing the Contra connection to the press.

Gen. Secord said he still is convinced that neither he nor Col. North did anything wrong during a two-year congressional ban on military aid to the resistance forces fighting Nicaragua's Marxist Sandinista government, which was lifted in October 1986.

Hours after Mr. Meese's press conference, Gen. Secord and Col. North huddled with the general's attorney in a Washington hotel. Two

calls came to the colonel in the hotel room; the second was from Mr. Reagan.

Gen. Secord recalled that when Col. North took the call, he bolted to attention, "like a good Marine."

"He said, 'I'm just sorry it had to end this way. I was trying to serve you the best way I knew how, Mr. President,'" Gen. Secord testified.

The general then tried to take the phone "to tell the president I wanted to see him and bring some rationality back into the matter," but Mr. Reagan had already hung up.

The first phone call Col. North received in the hotel room was from Vice President George Bush. "It was essentially the same kind of laudatory call," Gen. Secord said. "A sad, very short call."

Gen. Secord told the panel he had no "first-hand" knowledge that Mr. Reagan knew about his part in diverting Iranian arms sales proceeds to the Contras. He said he assumed then-CIA Director William Casey, who died yesterday, had passed information on to the president, and that Adm. Poindexter had told the general Mr. Reagan was "pleased" with his efforts.

Gen. Secord, who revealed Tuesday that \$3.5 million from the Iranian arms sales had gone to the Contras, told the special committee yesterday that Col. North authorized the first diversion in December 1985.

The money — about \$800,000 — was paid into Gen. Secord's Swiss bank account by Israeli arms dealer Al Schwimmer to transport Hawk anti-aircraft missiles to Iran. After the deal fell through, Col. North told

Gen. Secord to transfer the money to the Secord-run Contra supply effort, as a "contribution" from Mr. Schwimmer.

The \$3.5 million Gen. Secord described Tuesday came from profits from three Iranian arms transactions that were completed, he said. The general said he took only a \$6,000 monthly salary during the arms transactions.

The distinction between Gen. Secord's private role and governmental activities was often blurred

as Col. North enlisted — and the general volunteered — his help more and more.

Gen. Secord was asked to help prepare a White House chronology of events in the Iran initiative before Mr. Casey testified to Congress in November 1986. The general recalled that he noted discrepancies in the chronology, but deferred to Col. North's assertions that former National Security Adviser Robert McFarlane had prepared it and it was therefore correct.

The general described for the special committee a series of meetings in 1985 and 1986 among himself, NSC and CIA officials, Israeli officials and arms dealers interested in supplying sophisticated U.S. weaponry to Iran.

In December 1985, Mr. McFarlane met "nose to nose" with Iranian arms dealer Manucher Ghorbanifar in London, Gen. Secord said. "Very

quickly that meeting degenerated ... into propositions of U.S. arms for hostages," the general said, adding that Mr. McFarlane was "very unhappy" with the meeting — and with Mr. Ghorbanifar.

"McFarlane said this was one of the most despicable characters he'd ever met," Gen. Secord said. "I thought it was an interesting comment because he was far from one of the most despicable characters I'd ever met."

The general said he thought the Iran initiative was "dead" after the London meeting, until Adm. Poindexter, the newly installed national security adviser, called him to the White House in early January 1986 about an "entirely new" plan.

Gen. Secord was summoned to a second White House meeting on Jan. 16 where CIA and NSC lawyers debated the language of a presidential "finding" that Mr. Reagan signed the next day, authorizing secret U.S. arms shipments to Iran. The general was enlisted as a "commercial cut-out" in the plan, since neither partner in the "joint" U.S.-Israeli venture could openly sell weapons to Iran.

Although weapons would no longer be shipped to Iran through Israel, Israel "would take the hit," or official responsibility, if the covert operation were exposed, the general recalled.

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Mr. Ghorbanifar, the arms dealer, bounced a \$10 million deposit check for an initial 1,000 TOW anti-tank missiles in Gen. Secord's Swiss bank, fueling hard feelings between the two, the general testified.

"I told him that I was going to recommend that he be terminated," the general said. "He misinterpreted that," telling an Israeli official he thought Gen. Secord wanted to kill him.

After the TOWs were shipped to Tehran, the Iranians put in an order

for spare parts for Hawk missiles. Plans were made by Col. North and an official from the Iranian prime minister's office for a meeting between high-level officials on an island off the coast of Iran.

The meeting eventually took place in May in Tehran, where Mr. McFarlane flew with Col. North and George Cave, a retired CIA agent.

"As far as I know, there was no Iranian agreement to produce all of the hostages at the time of the meeting in Tehran," Gen. Secord recalled. He said he was surprised to learn it was a "sticking point" in the mission when the Iranians failed to secure release of any American hostages

from Beirut.

After the Rev. Lawrence Jenco was released in late July, Gen. Secord received orders to send the Hawk missile parts to Iran, the general testified. But the Iranians were balking at the prices Mr. Ghorbanifar was asking for the spare parts.

At that point, Mr. Ghorbanifar revealed he had been getting financing for the deals from Saudi financier Adnan Khashoggi and some Canadian sources. Gen. Secord recalled that Mr. Ghorbanifar's backers threatened to expose the plan, which finally came to light in a Lebanese magazine in early November 1986.